

Federal Educational Loan Repayment Options

Which Repayment Plan is Right for You?	Traditional Plans			Income-Driven Plans				
	Standard	Extended	Graduated	Income-Contingent Repayment (ICR)	Income-Based Repayment (IBR) - for those who borrowed prior to 7/1/14	Income-Based Repayment (IBR) - for new borrowers after 7/1/14	Pay As You Earn (PAYE)	Revised Pay As You Earn (REPAYE)
Which Loans are Eligible?	Direct & FFEL	Direct & FFEL	Direct & FFEL	Direct Only	Direct & FFEL	Direct Only	Direct Only	Direct Only
What are the Advantages?	May provide the lowest repayment cost due to the shortest repayment term	Provides a reduced monthly payment without consolidating	Can offer temporary relief to borrowers expecting an income increase in the near future	Provides a lower monthly payment. Capitalized interest cannot exceed 10% of the original loan balance. After this, the interest does not capitalize.	Provides a lower monthly payment based on family size and AGI for the household, but there is no limit to interest capitalization.	Payments mirror the PAYE payments, but there is no limit to interest capitalization	Capitalized interest can not exceed 10% of original loan balance. After this, interest accrues but does not capitalize	When monthly payment doesn't cover the interest, you are responsible for only 50% of it
How is the Monthly Payment Determined?	Payments are divided equally over the repayment term based on the total amount owed	Equal monthly payments stretched over a longer term based on the total amount owed	Payments are lower at first and then increase, usually every two years	Payments are the lesser of: 20% of discretionary income or the amount that would be paid over 12 years with a level payment, and are recalculated each year.	Payments are 15% of monthly discretionary income. If married, spouse's income is considered only if a joint tax return is filed.	Payments are 10% of monthly discretionary income. If married, spouse's income is considered only if a joint tax return is filed.	Payments are 10% of monthly discretionary income. If married, spouse's income is considered only if a joint tax return is filed.	Payments are capped at 10% of monthly discretionary income for you and your spouse, if married
What is the Repayment Term	10 years - up to 30 if consolidated	Up to 25 years	10 years - up to 30 if consolidated	25 years - after which, any remaining balance receives a taxable forgiveness	Up to 25 years - after which, any remaining balance receives a taxable forgiveness	Up to 20 years - after which, any remaining balance receives a taxable forgiveness	Up to 20 years - after which, any remaining balance receives a taxable forgiveness	Up to 20 years - after which, any remaining balance receives a taxable forgiveness
What are the Eligibility Requirements?	All borrowers are eligible	Must owe \$30,000 or more	All borrowers are eligible	No initial income eligibility - payments are based on income and family size	Must have a partial financial hardship to qualify	Must be a new borrower after 7/1/14 and have a partial financial hardship	Must have a partial financial hardship, be a new borrower after 10/1/07, and have a Direct Loan disbursement on or after 10/1/11	Any borrower with an eligible loan type
Does it Qualify for PSLF?	Yes	No	No	Yes	Yes	Yes	Yes	Yes
What else Should be Known about the Plan?	This is the default payment plan	This plan will often cost more due to the longer repayment term	The minimum payment amount due is the interest only, which can result in a larger total repayment amount when compared to the standard plan	Verification of income and family size must be provided annually, no cap on the monthly payment amount	Verification of income and family size must be provided annually, payments can be as low as \$0/month	Verification of income and family size must be provided annually, payments can be as low as \$0/month	Verification of income and family size must be provided annually, payments can be as low as \$0/month	Verification of income and family size must be provided annually, payments can be as low as \$0/month

This Loan Repayment Plan Summary is meant to help students explore their repayment options and find the repayment plan that best fits their needs in both the short and long term. MCC recognizes that students often need to lower their monthly loan payments in order to be able to be successful in their repayment. You have options! Your loan payments can be adjusted to better match your income.

Students are encouraged to discuss their repayment options with their loan servicer. Not all plan options are available to all borrowers. Eligibility for a repayment plan will depend upon the type of loan, when it was borrowed, the amount borrowed and the borrower's financial situation. Students who will seek employment in the non-profit sector are encouraged to seek information about Public Service Loan Forgiveness (PSLF).